

January 8, 2003, Wednesday

## Startup 'There' Creates Virtual Universe

By THE ASSOCIATED PRESS

Filed at 12:11 a.m. ET

MENLO PARK, Calif. (AP) -- It was the dream of many a dead dot-com: build a virtual universe where people can socialize without the confusion of chat rooms or the awkwardness and emotional investment of physical face-to-face encounters.

Backed by serious venture capital and sophisticated software, There Inc. is hoping to offer just that, and is betting that people will be happy to pull out their credit cards to buy virtual clothes, good looks -- even a trusted canine companion.

Without recent advances in personal computer technology, the lush graphics of There's online universe would not be possible. In order to participate, many people would need to upgrade their home PCs.

The company, in secret development for four years, faces competition meanwhile from online games. On the surface at least, a newly launched Internet version of the popular Sims franchise resembles There.

"The difference is Sims online is essentially a game. There is not," said Tom Melcher, There's chief executive. "There is a place. In Sims, you're driven by game motives. You have hunger, comfort, a bladder and energy. In There, you're driven by relationships."

The There universe was being unveiled for initial beta testers Wednesday at the Consumer Electronics Show in Las Vegas. It officially launches later this year.

By downplaying competition, There hopes to attract women to its universe, which is roamed much like the legendary computer game Myst. In fact, some areas look and sound like the mythical Myst island with the constant chirping of birds and distant roar of surf.

"If we can build a product that women love, guys will show up," Melcher said. "The reverse is not true."

Unlike Myst -- which was eerily absent of other people -- fellow humans, or online incarnations called avatars, are present to chat and play with. There's also no sequence, or "end of game." People just exist -- until they log off.

Conversation appears as cartoon balloons that float above participants' heads. Voice chat also is possible if the Internet connection is fast enough.

People can buy clothes from partners like [Nike](#), Levi Strauss & Co. and in auctions by other users with There's very own currency.

Some ``Therebucks" will be included in the monthly fee -- expected to be about \$10. Users also can purchase additional ``Therebucks" with a credit card or earn them by creating activities.

The rates are expected to fluctuate as testing proceeds, though \$1 now buys 1,787 Therebucks or about one-sixth of the price of a virtual dog -- available in two breeds -- or a buggy.

With transportation such as buggy or hoverboard, players can roam various islands or even planned Planets, each with its own themes. An online newsletter will detail activities so users aren't lost in what could become a very large electronic space.

The notion of buying virtual props isn't new. [Sony's](#) online medieval role-playing game EverQuest has its own underground economy in which players buy gear with real money outside the game, on [eBay](#) for instance, rather than earn it by playing.

There Inc. executives say their program, available online and with the purchase of some video cards, can run on most modern home computers that have a processor speed of at least 800 megahertz and a modern graphics card.

The company is looking for mainstream customers but they're not likely to want to take apart their PC to add a better graphics card, said Joe Laszlo, a senior analyst at Jupiter Research.

There works on a dialup connection to the Internet, though a high-speed connection brings additional features.

The company, which has secured \$33 million in funding through venture capitalists and its 84 employees, says it can break even with just 150,000 subscribers. Executives say they have enough funds to last two years.

Though There plans to build its universe slowly at first, analysts say keeping a virtual world humming -- and subscribers happy -- could be an expensive challenge.

``When you have a community where real people interact, the unexpected always happens," Laszlo said.

Executives also promise an open platform so that anyone with programming experience can create everything from a new planet to a new outfit. For now, no one will be allowed

to shed their virtual clothes in There -- but that could change if a company wants to sponsor an adult Sin City.

Darla Marcomb, a Fremont-based accountant who tested There briefly in August, said the experience was much more ``real world" than any online game.

``It's more of a vacation at Club Med," she said. ``The beta testing was for three hours, and that wasn't long enough for me. I wanted to stay on all night."